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2 ***sustainability reporting in international hotel groups: an analysis of***  
3 ***stakeholder inclusiveness, materiality and responsiveness, *Journal of****  
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5

6 **Abstract**

7 While extensive research covers the disclosure of performance in sustainability reports, there  
8 is limited understanding of the process of how such reports are developed and whose  
9 priorities they reflect. We investigate the sustainability reporting, focusing on stakeholder-  
10 related practices disclosed by the 50 largest hotel groups worldwide, by testing the AA1000  
11 Stakeholder Engagement Standard. We use the three interrelated dimensions (inclusiveness,  
12 materiality and responsiveness) to assess the disclosure of how organisations 1) identify and  
13 engage with stakeholders, 2) determine the importance of sustainability issues and 3) respond  
14 to stakeholder concerns. We find the low transparency and imprecision of decision-making  
15 criteria and processes suggest sustainability reporting is more of a legitimisation exercise than  
16 one of accountability. We find the stakeholder identification approach does not inform the  
17 organisation's transparency, whereas the dialogue mechanisms used to empower  
18 stakeholders, as their participatory role in decision-making and the reporting process, shape  
19 the disclosure of materiality and responsiveness. We demonstrate how that the ability to  
20 determine stakeholder engagement, materiality analysis and responsiveness of the  
21 sustainability reporting process can improve the role of sustainability reports as a mechanism  
22 for accountability, and we argue the importance of the alignment between the degree of  
23 disclosure on inclusiveness, materiality and responsiveness.

24 **Keywords:** stakeholder theory, stakeholder engagement, materiality analysis, accountability,  
25 sustainability reporting, hospitality industry.

## 1 Introduction

2 Sustainability reports assist organisations in “setting goals, measuring performance and  
3 managing change towards a sustainable global economy” (GRI, 2013, p. 85). Producing  
4 sustainability reports has become a standard practice among large organisations, however the  
5 relevance and comprehensiveness of information remains a challenge (KPMG, 2013).  
6 Questions arise as to whether this increase in adoption of sustainability reports has been  
7 accompanied by an increase in the corresponding accountability of organisations by  
8 addressing the needs of various stakeholders. Stakeholder involvement is considered a main  
9 constituent of best practice sustainability reporting and, consequently, has been recognised by  
10 standards such as those issued by AccountAbility and the Global Reporting Initiative.  
11 Stakeholder engagement enables the organisation to align with the stakeholder interests,  
12 identify material issues for strategy and subsequent reporting, bringing greater completeness  
13 and usefulness of disclosed information to its intended users (e.g. Manetti, 2011; Thomson &  
14 Bebbington, 2005). Sustainability reporting is both a product of and a platform for stakeholder  
15 engagement (Moratis & Brandt, 2017). This leads to the question of to what extent these  
16 reports meet the information needs of the various stakeholders, since sustainability  
17 departments scarcely engage external stakeholders in defining priorities, based on the  
18 evidence of their sustainability reports (Kochetygova & Belyakov, 2014).  
19 The current focus of academic research is the disclosure of management and performance  
20 indicators of the sustainability reports (de Grosbois, 2012; Font, Walmsley, Cogotti,  
21 McCombes, & Häusler, 2012; Holcomb, Upchurch, & Okumus, 2007). Yet accountability  
22 depends on the transparency of the reporting *process* and not only on its disclosed  
23 *performance* (Junior, Best, & Cotter, 2014). Few authors researched stakeholder inclusiveness  
24 (Manetti, 2011; Manetti & Toccafondi, 2012) and stakeholder responsiveness (Moratis &  
25 Brandt, 2017), and these did not assess how the disclosure of the stakeholder engagement

1 and materiality analysis inform the reports' content. This study applies stakeholder theory to  
2 the process of how sustainability reports are produced. Stakeholder theory helps to explain  
3 corporate behaviour through promoting the premise that a major objective of any  
4 organisation is to balance the conflicting demands of its various stakeholders, and, therefore,  
5 sustainability behaviours can be interpreted as a response to those stakeholders' influences.  
6 Stakeholder theory allows a more nuanced understanding of to whom sustainability reporting  
7 makes a firm more transparent.

8 The principles of inclusiveness, materiality and responsiveness from the AA1000 Stakeholder  
9 Engagement Standard (henceforth AA1000SES) are a suitable instrument to assess the  
10 stakeholder accountability dimension of sustainability reports. The AA1000SES emphasises  
11 that "engagement with stakeholders is at the heart of AA1000" (ISEA, 1999, p. 10), and  
12 Assurance Standard requires the evaluation of whether stakeholder concerns are addressed by  
13 the reporting organisation (AccountAbility, 2015), in line with the Global Reporting Initiative  
14 (GRI) G4 mandate (GRI, 2013). The stakeholder lens adopted herein provides an understanding  
15 of the extent of, and approach taken towards, stakeholder identification and engagement by  
16 top hotel chains. It also considers how these factors impact on reporting practices that are  
17 material to stakeholder information requirements. The article is structured in five sections.  
18 First, it presents the accountability principles to explain how the process of stakeholder  
19 identification and engagement should inform the materiality of the sustainability agenda and,  
20 as a consequence, the content of sustainability reports. Second, it justifies how a content  
21 analysis with a stakeholder theory lens is an appropriate methodology to evaluate the  
22 information disclosed in sustainability reports. Third, it analyses sustainability reporting  
23 practices against the criteria of inclusiveness, materiality and responsiveness. Fourth, it uses  
24 this evidence to advance our understanding of sustainability reporting using stakeholder  
25 theory by more explicitly including stakeholder identification and engagement, materiality

1 analysis and responsiveness. Finally, it reflects on the contribution that this approach can lead  
2 to a better understanding of sustainability reports.

### 3 **Literature review**

4 The purpose and process of, and disclosure of performance within, a sustainability report all  
5 depend on an organisation's worldviews. There are two approaches to stakeholder theory that  
6 differ according to an organisation's motives to pay attention to its stakeholders (defined as  
7 those groups or individuals who can affect, or are affected by, the achievement of the  
8 organisation's purpose (Donaldson & Preston, 1995). *Normative stakeholder theory* assumes  
9 that moral values are part of doing business and accordingly emphasises the responsibilities of  
10 an organisation towards stakeholder accountability, with intrinsic values arising from their  
11 moral duties (e.g. Donaldson & Preston, 1995). Alternatively, *instrumental stakeholder theory*  
12 adopts a managerial stance, assuming that the organisation can take action to influence its  
13 accountability, with an emphasis on managing stakeholder groups that have an ability to  
14 control resources vital to the organisation's operations, and paying less attention to  
15 stakeholders with less power (Ullmann, 1985).

16 Stakeholder theory provides the foundations to study sustainability accountability as a mode  
17 of governance. The AA1000SES measurable principles of inclusiveness, materiality and  
18 responsiveness reflect the sustainability reporting processes of: i) identifying and engaging  
19 with stakeholders, ii) using stakeholders' insights to determine the importance of sustainability  
20 issues, and iii) transparently communicating the organisation's response to these material  
21 issues. Applying the stakeholder lens, this article examines how hospitality organisations  
22 publicly acknowledge their relationship with stakeholders through their sustainability  
23 reporting practices.

### 24 **Inclusiveness: Stakeholder identification and engagement**

1 The inclusivity principle means that an organisation is meant to be accountable to all  
2 stakeholders (AccountAbility, 2015), which requires that the organisation defines which groups  
3 merit to be the legitimate object of managerial attention (Philipps, 2003). Because the concept  
4 of legitimacy is imprecise, there are different understandings of who may be stakeholders. A  
5 normative approach is narrow and identifies as stakeholders those to whom the organisation  
6 has a moral obligation based on contractual relations (Donaldson & Preston, 1995). A broader  
7 approach, expands managerial attention to those groups that can affect the organisation and  
8 its normative stakeholders (Mitchell, Agle, & Wood, 1997), which constitute derivative  
9 stakeholders (Phillips, 2003) as the media, trade unions, non-governmental organisations  
10 and/or advocacy groups.

11 Stakeholder theory explains that determining who has legitimacy to be heard depends on the  
12 “shared beliefs, values and evolved practices regarding the solution of recurring stakeholder-  
13 related problems” (T. Jones, Felps, & Bigley, 2007). This is visible in the Stakeholder  
14 Identification (SI) and Stakeholder Engagement (SE) choices, here used as part of the  
15 theoretical framework. The relevance of the stakeholder dialogue is inevitably linked to  
16 stakeholder theory for which the procedure, understood as who has an input in the decision-  
17 making process and the degree of control within the process, is as important as the output  
18 (Phillips, Freeman, & Wicks, 2003).

19 Stakeholder accountability requires empowering stakeholders (Cooper and Owen, 2007),  
20 hence we analyse the information disclosed about stakeholder inclusiveness, materiality and  
21 responsiveness principles in the reporting process to evaluate how current practices enable  
22 stakeholders to hold the organisation to account. Depending on the influence that the  
23 organisation gives to each group, engagement can be classified as *informative* (organisation  
24 informs, stakeholder listens), *consultative* (organisation and stakeholder dialogue) and *decisive*  
25 (organisation actively involves the stakeholders in decision-making) (Green & Hunton-Clarke,  
26 2003). The mechanisms for dialogue reflect the purpose and depth of SE (with informative and  
27 consultative mechanisms being symbolic, and only decisive consultation being substantial  
28 (Green & Hunton-Clarke, 2003)), and consequently determine the breadth of information  
29 potentially gathered (see Table 1).

30 \*\*\* insert table 1\*\*\*

1 Successful SE relies on understanding the legitimacy of the stakeholders and having  
2 procedures to raise their concerns consistently. SE can be assessed based on the procedural  
3 quality (how the organisation conducts the engagement and how this is consistent with the  
4 declared purpose), responsiveness quality (how the organisation responds to the stakeholder  
5 concerns), and the outcome quality (tangible evidence of policies and practices adopted in line  
6 with SE or evidence of stakeholder satisfaction) (Zadek & Raynard, 2002).

### 7 **Materiality: Determining the content of the report**

8 Materiality explains to what extent, and how, a sustainability report is informed by the process  
9 of engaging with prioritised stakeholders, and is reflected in the ability of those stakeholders  
10 to judge the organisation's sustainability performance based on the issues that they  
11 considered important in the first place. In the tourism industry, the only published article that  
12 pertains to Materiality Analysis (MA) shows how the sustainability reporting practices of cruise  
13 companies are self-serving and differ substantially from what stakeholders would expect from  
14 them (Font, Guix, & Bonilla-Priego, 2016). Additionally, the process of prioritising which  
15 stakeholders matter involves a value judgement. Materiality must be evaluated and applied in  
16 context; something considered to be material information in one context may be immaterial in  
17 another (Corporate Reporting Dialogue, 2016). Moreover, an aspect's relevance can vary with  
18 time. Materiality is a complex concept, with limited standardisation, and institutions codify it  
19 differently (GRI, 2013) due to the different contexts within which their reporting standards are  
20 applied, their different values and their diverse experiences of engaging with stakeholders  
21 (Corporate Reporting Dialogue, 2016).

22 An organisation's sustainability system is seen to be accountable if it reports on the criteria  
23 used to define what is material. Potentially material issues are identified with an extensive  
24 qualitative and quantitative assessment of internal and external documents (Eccles &  
25 Serafeim, 2013), often informed by industry specific guidelines (Eccles, Krzus, Rogers, &

1 Serafeim, 2012). Some organisations map issues graphically using a materiality matrix,  
2 although few organisations link the matrix with the content of the report, or articulate how  
3 materiality informs the deployment of resources (Eccles, Krzus, & Ribot, 2015). Because of the  
4 heterogeneous design and application of materiality matrices (Report Sustentabilidade, 2013)  
5 including their dimensions or axes, and the definitions of quadrants for classifying issues,  
6 matrices can be selected in such a way that they reveal only a small fraction of the  
7 organisation’s approach and allow the organisation to manipulate the data to suit their needs.  
8 Transparently communicating the process to assess materiality and the scoring mechanisms  
9 behind the matrices would provide enough information for stakeholders to judge how the  
10 organisation is using the stakeholder input to inform practices and respond to their concerns.

#### 11 **Responsiveness: addressing stakeholders’ contributions**

12 An organisation’s choice of concerns to act on, from within the materiality matrix, speaks of  
13 the importance that organisation gives to its stakeholders’ concerns if, or when, those  
14 concerns compete with its own interests. Responsiveness refers to an organisation’s  
15 responsibility to act transparently on material issues (AccountAbility, 2015), its willingness to  
16 provide a thoughtful response to stakeholder concerns, and its commitment to continuous  
17 work on those material issues (David, Bloom, & Hillman, 2007). Responsiveness requires that  
18 an organisation explains how it perceives its relationship towards its stakeholders, how it  
19 intends to build and sustain these relationships (Painter-Morland, 2006) and the process by  
20 which its managers interpret the issues raised by stakeholders and decide which are worthy of  
21 a response (Bundy, Shropshire, & Buchholtz, 2013). Responsiveness requires the organisation  
22 to involve stakeholders in identifying and responding to sustainability issues, and it requires  
23 them to report to their stakeholders on their decisions, actions and performance  
24 (AccountAbility, 2015). Therefore, responsiveness is realised through the organisation’s  
25 governance, strategy, performance and communication with its stakeholders. Being responsive

1 to stakeholder concerns acknowledges an accountability relationship with the identified  
2 stakeholders (Cooper & Owen, 2007). The stakeholder lens provides new insights into how  
3 organisations assume responsibility for, and are transparent about, their impacts.

#### 4 **Methodology**

5 The purpose of this article is to investigate sustainability reporting in the hotel industry, by  
6 analysing how stakeholder inclusiveness informs the definition of materiality and the  
7 responsiveness to such stakeholders. The reports are analysed in relation to their evidence  
8 according to the research framework: i) *inclusiveness* (who are the stakeholders, why and how  
9 the organisation engages with them), ii) *materiality* (how can we co-identify stakeholders with  
10 sustainability issues), and iii) *responsiveness* (how do reports respond to stakeholders'  
11 concerns).

12 A contribution of the article is the use of stakeholder theory to interpret the output of content  
13 analysis of the stakeholder-related sustainability reporting processes. Stakeholder theory is an  
14 appropriate tool to query the narrative in sustainability reports as vehicles for accountability.

15 Content analysis is used in corporate disclosure research to make “inferences by objectively  
16 and systematically identifying specified characteristics of messages” (Holsti, 1969, p. 14),  
17 because it allows repeatability and valid inferences from data gathered (Krippendorff, 1980).

18 Tourism academics have examined the *content* of sustainability reports (Bonilla-Priego, Font, &  
19 del Rosario Pacheco-Olivares, 2014; de Grosbois, 2012; Gray, Kouhy, & Lavers, 1995; Guthrie &  
20 Abeysekera, 2006) but not the *process* of identifying what to report about or who the  
21 corporation sees itself accountable to. Earlier SE studies did not include hotel groups (Manetti,  
22 2011; Manetti & Toccafondi, 2012) with the exception of Bonilla-Priego and Benítez-  
23 Hernández (2017).

24 An essential stage in any content analysis is deciding the documents to be analysed  
25 (Krippendorff, 1980). As with previous research, this study focuses on sustainability annual



1 reports (Bonilla-Priego et al., 2014; de Grosbois, 2012; Manetti & Toccafondi, 2012). The  
2 sampling frame is the largest 50 hotel groups worldwide based on the number of rooms,  
3 according to Hotels Magazine (2015). The sampling criteria is the size of these hotel groups, as  
4 visibility (due to their size) is generally the main reason behind their need to legitimise  
5 (Guthrie & Parker, 1989). We acknowledge that there are considerable differences in quality,  
6 level of service, target market, ownership, management structures and approaches to publicity  
7 including what stakeholders can access. As of January 2016, 20 of the 50 hotel groups issued  
8 sustainability reports, a further 10 provided some sustainability content on their corporate  
9 websites and the remaining 20 did not discuss sustainability issues via either channel. Of the  
10 20 reports, two were excluded for either not fulfilling the criteria of English language (Jinling  
11 Hotels & Resorts Corp) or for not reporting across economic, social and environmental issues  
12 (Scandic Hotels). Sample characteristics are given in Table 2.

13 \*\*\* insert table 2\*\*\*

14 This study first adopted a qualitative approach to content analysis to verify the presence of  
15 elements that are essential for evaluating the sustainability reporting process. The content  
16 analysis consisted of 69 research questions in four themes, informed by previous studies: 1)  
17 Organisation and report profile (Eccles et al., 2015; Report Sustentabilidade, 2013), 2)  
18 Stakeholder Identification and engagement (AccountAbility, 2015; Green & Hunton - Clarke,  
19 2003; Manetti, 2011; Plaza-Úbeda, de Burgos-Jiménez, & Carmona-Moreno, 2010), 3)  
20 Materiality Analysis (Eccles et al., 2015; GRI, 2013; KPMG, 2014) and 4) Responsiveness  
21 (AccountAbility, 2015). Responsiveness was evaluated, firstly, by how the organisations  
22 communicated with their stakeholders on material issues and, secondly, how their report  
23 structures were designed to facilitate that communication. A coding procedure was defined to  
24 prevent ambiguous interpretations of the coding rules. The first author independently coded  
25 all reports, while the second author randomly coded 20% of them using the same coding

1 instructions and units of analysis to ensure consistency and reproducibility. A cross-coder  
2 reliability test was run on a sample of two reports, initially revealing an 81% agreement  
3 between the two independent coders, improving to 95% in latter tests once the coders  
4 reflected on the interpretation of coding protocols. It is worth noting the study did not set out  
5 to test whether the information provided is valid but, rather, how these organisations publicly  
6 acknowledge their relationship with stakeholders. It later adopted a quantitative approach by  
7 using attributed ratings to compare the degree of transparency in sustainability reporting, and  
8 a coding scheme was developed to establish credibility and validity of the standardisation  
9 (Guthrie & Abeysekera, 2006), adapted to each of variable (see Table 3). For each statement a  
10 1-0 code was applied. A 0.5 score was added to mark issues declared in the reports but not  
11 offering conclusive answers. For example, SE methods were coded as 1 if these were declared  
12 for each stakeholder group, 0.5 if declared in general only listing the methods but not the  
13 stakeholders involved with each method, and 0 if no engagement method was disclosed.  
14 Frequency of engagement was coded as 1 if fully declared for all stakeholder groups, 0.5 if  
15 partially declared for some stakeholder groups, and 0 if not declared.

16 \*\*\* insert table 3\*\*\*

## 17 **Findings**

18 We find that the organisations disclose poorly how they identify and engage stakeholders. The  
19 process of determining what information matters to stakeholders reveals that organisations  
20 omit much of the necessary decisions and disclose only the MA outcomes, but not their  
21 responsiveness to stakeholder expectations. Each issue is explained in turn, before discussing  
22 the implications of the partial accountability of their sustainability reports.

## 1 Profiles of the organisations and their sustainability reports

2 The sampled organisations present diverse reporting approaches and sustainability strategies.

3 All 18 organisations have an annual reporting cycle, through which 15 of them provide a

4 'standalone' sustainability report. Reporting standards vary: nine organisations follow the GRI

5 G4 standard (with varying degrees of transparency), two follow G3.1, and one follows G3.

6 Rigour ranges from producing reports 'in accordance – comprehensive' to the standards, to

7 the less rigorous 'in accordance – core' that disclose fewer material indicators, to 'undeclared'

8 referring that the level of application of the GRI Guidelines is not disclosed. Only Melià

9 International (2015) combines financial and nonfinancial performance measures in an

10 integrated report.

11 The reports account for partial data reflecting managed (15 reports) and then owned (14

12 reports) properties, while leased and franchised hotels are included less often (8 reports), as

13 previously found (Melissen, van Ginneken, & Wood, 2016). For example, environmental

14 performance usually excludes franchised and leased hotels, while workforce data is more

15 inclusive irrespective of the ownership. Seven organisations explicitly state the sources of data

16 used for disclosing performance. Elsewhere the scope is unclear, for example shown in

17 footnotes of specific tables (8 reports), resulting in a lack of overall consistency. Three reports

18 do not disclose their scope at all (Eastern Crown Hotels; MGM Resorts International; Riu Hotels

19 and Resorts), while one provides information on scope within a separate document

20 (Whitbread).

21 The reporting profile outlined evidence that i) these hotel groups vary in their reporting

22 approach and level of disclosure, and that there is need ii) to better communicate the scope of

23 the data provided and iii) to widen such scope to include all the business units within each

24 organisation.

## 1 Stakeholder inclusiveness: identification and engagement

2 The transparency of SI and SE is evaluated via review of explicit statements that identify both  
3 the relevant stakeholders and the organisation's methods and reasons for engagement with  
4 them (see Table 4). Eleven organisations identify their primary stakeholders as customers,  
5 employees, suppliers, local communities and NGOs. Remarkably, trade unions are not  
6 mentioned once. The basis for SI is only disclosed by five organisations, two of which provide  
7 specific criteria: i) based on the feedback received and the material issues (Starwood) and ii)  
8 those that can help enhance the business strategy (Hilton Worldwide). Other general  
9 statements are given by three organisations: i) the management judgement on feedback  
10 during the year (Caesars Entertainment; Eastern Crown Hotels) and ii) stakeholders that are  
11 part of the business environment (NH Hotel Group). Similarly, Bonilla-Priego and Benítez-  
12 Hernández (2017) found that hotel groups omit the criteria to identify and prioritise  
13 stakeholders.

14 \*\*\* insert table 4\*\*\*

15 In contrast to findings from other industries (Moratis & Brandt, 2017), most organisations  
16 disclose their SE objectives (14 organisations), which are, however, seldom supported by  
17 outcomes. These objectives are: i) Setting policies and actions (8), ii) Setting report content  
18 and relevant information (7), iii) Setting or reviewing strategic objectives (5), iv) Improving the  
19 business (4), and v) Building long-term relationships (3). Despite the diverse range of SE  
20 objectives, almost three quarters of the 18 organisations do not engage all the stakeholders  
21 identified and nearly all of them fail to explain the meaning behind their objectives. Exceptions  
22 are InterContinental, who explain the aim and method for each stakeholder identified and  
23 Wyndham, who provide specific goals and outcomes.

24 The SE process is explained in general terms by 12 organisations and the frequency of  
25 engagement is explained in six cases. Disclosure of SE methods is common practice, in line with

1 studies elsewhere (Moratis & Brandt, 2017). Applying the SE classification from Table 1 to  
2 these reports shows mostly one-way communication and limited two-way engagement (see  
3 Table 5). Organisations hesitate to engage in two-way communication, similarly to earlier  
4 evidence by Morsing and Schultz (2006) and in contrast to more recent evidence by Moratis  
5 and Brandt (2017) who found organisations increasingly engage in multi-way SE- this suggests  
6 that the hospitality industry is some years behind other sectors. Aggregating engagement  
7 methods for all organisations and all stakeholder groups shows that consultation (28.8%),  
8 transacts (22.3%), and information (17.4%) are the dominant engagement levels. Percentages  
9 were obtained by dividing specific methods in each level by the total number of SE methods  
10 used. The differences between reported SE levels per stakeholder group and the outputs of  
11 such engagement show that reporting is incomplete.

12 \*\*\* insert table 5\*\*\*

13 Guests and suppliers are the stakeholders engaged most often, followed by NGOs (at  
14 decisional level) and local communities (at consultative level). *Informative* engagement takes  
15 place via the organisation's board, the media and communication with time-share owners.  
16 *Consultative* mechanisms are used mostly with sustainability supplier policies, sometimes  
17 complemented with audits. *Decisional* approaches are visible in these sustainability reports  
18 with multi-stakeholder initiatives (e.g. CDP) and engagement undertaken together with the  
19 industry peers (e.g. International Tourism Partnership).

## 20 **Determining report content: materiality**

21 There is only partial evidence that organisations with better SE disclosure have better MA  
22 disclosure, despite its intuitive appeal. Wyndham has both the highest scores in SE and MA.  
23 However, in many other instances there is a gap between engaging stakeholders and using  
24 their insight to inform the sustainability strategy, as seen in Table 6. While all 18 organisations  
25 identify sustainability issues, it varies from 22 (Hyatt) to three (Accor). Only 11 organisations

1 refer to MA, six of which provide the meaning and criteria for determining materiality, four  
2 visually communicate material issues, and another four explain the stakeholders for whom  
3 issues are material.

4 \*\*\* insert table 6\*\*\*

5 Table 7 lists the different actions disclosed by organisations to determine materiality, which  
6 range from reviewing internal documentation and externally benchmarking the organisation's  
7 performance or sustainability policies, estimating sustainability impacts, risks and  
8 opportunities to using materiality matrices.

9 \*\*\* insert table 7\*\*\*

10 Further questions remain regarding how organisations determine the importance of issues.  
11 Organisations use terms to explain what is material as being 'strategic' (Melià), 'relevant to our  
12 business' (Caesars) and of 'importance for the organisation' (Hilton and InterContinental  
13 Hotels Group), but do not disclose the meaning of the terms used. Typical stakeholder-related  
14 criteria include 'materiality to stakeholders' (Melià) and 'substantively influence the  
15 assessment and decisions of stakeholders' (Eastern Crown). More specific terms include issues  
16 with a 'significant risk to the organisation' (Melià), 'stakeholder impact' (Intercontinental), of  
17 'stakeholder influence' (Eastern Crown) and 'level of stakeholder concern' (Caesars, Hilton, NH  
18 and Wyndham). The practices of Wyndham, Accor, Caesars and Eastern Crown are more  
19 transparent than those of the other 14 organisations, in that they identify which sustainability  
20 issues are material to which stakeholder groups. However, in all 18 reports, even when  
21 accurate criteria are included, the transparency of the underlying method and the scoring  
22 mechanisms used are poorly explained, and the weighting systems are concealed, which  
23 supports evidence from Bonilla-Priego and Benítez-Hernández (2017).

24 The eleven organisations conducting materiality recognise the role of stakeholders in  
25 identifying material issues, but fail to define the relative importance given to different

1 stakeholders. Table 8 lists the SE actions disclosed to determine materiality. For instance,  
2 Accor explains that MA consists of “identifying stakeholder concerns and expectations and  
3 determining their degree of importance” (2015, p. 25), which raises the questions of how SE  
4 meaningfully informs decision-making and which criteria are used to determine the degree of  
5 importance, although this is one of the few companies which highlights different material  
6 issues raised by different stakeholders, as stated before. Six organisations participate in  
7 industry-peer initiatives and four of them refer to the International Tourism Partnership’s  
8 industry-wide materiality analysis; but they fail to disclose the integration of the outcomes of  
9 such initiatives in their strategies. Only NH and Wyndham claim to integrate these results in  
10 their organisations’ priorities, but even amongst these two there are considerable differences  
11 (e.g. while the International Tourism Partnership identified ‘water’ as material, this was  
12 translated as ‘environment’ by NH in their report).

13 \*\*\* insert table 8\*\*\*

14 Intercontinental, Wyndham, Accor and Melià disclose materiality matrices, which compare the  
15 importance of each issue for the organisation and society; this is an approach increasingly used  
16 in other industries (Eccles et al., 2015; P. Jones, Bown, Hillier, & Comfort, 2017a, 2017b; P.  
17 Jones, Comfort, & Hillier, 2016a, 2016b). The matrices, however, vary across organisations  
18 regarding axes-names and scoring mechanisms, which increases customisation for  
19 communicating organisation-relevant information but difficults benchmarking. Organisations  
20 across industries are adapting their matrices to favour corporate rather than sustainability  
21 goals (Eccles & Krzus, 2014; P. Jones et al., 2017b; P. Jones & Comfort, 2017; P. Jones et al.,  
22 2016a, 2016b). Beyond this, evidence of the outcome of engagement is not provided. Nearly  
23 all the reports that identify stakeholder concerns explain their planned responses to the  
24 material issues in general terms, without explicitly providing an answer to each stakeholder  
25 group. While five organisations claim to involve all stakeholders, the qualitative content

1 analysis of their reports shows that evidence of the outcomes of such engagement is limited  
2 (only Walt Disney explains the response to stakeholders' feedback). Responding to stakeholder  
3 claims is commonplace across industries, as found by Manetti (2011) and Moratis and Brandt  
4 (2017). These findings lead us to analyse more specifically the responsiveness of these  
5 organisations towards their stakeholders' expectations.

## 6 **Responding to stakeholder concerns: Responsiveness**

7 The extent to which the reports address the concerns raised by stakeholders (see Table 9) is  
8 incorporated into Figure 1 (indicated by the size of the dot), based on two variables: i) whether  
9 the organisation communicates the response given for material issues, and ii) whether the  
10 report follows a structure to guide the user to identify responses given to each material issue.  
11 The results are then plotted in relation to the organisations' scores for SI/SE (Table 4) and for  
12 MA (Table 6) to visually represent the overall transparency position for each organisation.

13 \*\*\* insert table 9\*\*\*

14 The accountability matrix, a picture of disclosing the sustainability reporting process, visualises  
15 sustainability reporting under the categories of best, mixed and poor. The best group includes  
16 four organisations that disclose between 69% and 75% of all the SI/SE, MA and Responsiveness  
17 criteria. The organisations demonstrate high transparency when presenting consistent report  
18 content aligned with the findings from the SE and MA, with Wyndham showcasing best  
19 practice followed by Caesars, Eastern Crown and Hilton. In contrast, the poorest performance  
20 category in the accountability matrix gathers organisations with the lowest scores in all three  
21 variables studied (24.8%). Most notably Riu, Shangri-la, Marriot and Whitbread produce  
22 opaque reports that do not disclose MA and that contain limited SI/SE evidence, without  
23 which these organisations' published claims are unsubstantiated. Walt Disney, Millennium,  
24 MGM and Starwood have higher SI/SE transparency but are categorised as poor because they  
25 fail to report on MA.



1 \*\*\* insert figure 1\*\*\*

2 The mixed transparency group represents organisations at the centre of the matrix. It is poor  
3 responsiveness that puts Melià and Accor in this middle group: Melià informs about  
4 performance but fails to link it to stakeholder demands, and Accor identifies concerns per  
5 stakeholder group but does not respond to all the concerns identified, nor does it have a  
6 structure that guides the reader. The absence of responsiveness undermines these two  
7 organisations' positive information on how stakeholders are engaged and what information is  
8 relevant, as the reports do not address explicitly the concerns raised by the stakeholders. The  
9 mixed group also includes Hyatt (2014), Carlson Rezidor and NH, each of which have high  
10 responsiveness but low disclosure on SE and MA; they disclose less detailed information about  
11 the process behind sustainability reporting but their reports provide a good account of the  
12 information provided.

### 13 **Discussion**

14 Stakeholder theory has provided a theoretical lens to allow us to understand the process of  
15 sustainability reporting by shedding light into the black box of to whom and in what ways  
16 organisations are accountable to. The three step approach of studying inclusiveness,  
17 materiality and responsiveness has proven to be a valuable explanatory framework through  
18 which to observe the layers of how organisations engage with their stakeholders and to  
19 interpret their sustainability reporting process from the perspective of stakeholder  
20 accountability.

21 Studying stakeholder inclusiveness from a stakeholder theory perspective speaks about the  
22 organisation's values towards its stakeholders. The two issues of: i) identification - who are  
23 legitimate stakeholders and what makes them such, and ii) how the organisation prioritises  
24 and balances conflicts between stakeholder claims, are fundamental challenges in stakeholder  
25 theory. The fact that not all organisations make SI clear in the reports suggests that the

1 stakeholder dialogue is unlikely to be meaningful. Inevitably, organisations face a range of  
2 stakeholders that, to some extent, have conflicting interests; hence they are expected to  
3 clarify which of those stakeholders and interests they consider more relevant and specify the  
4 specific goals and outcomes desired from engaging with each of them (procedural quality). The  
5 fact that most hotel groups seldom identify derivative legitimate stakeholders such as industry  
6 peers (competitors), advocacy groups, trade unions or the media indicates that hotel groups  
7 are taking a rather narrow approach to SI (see Figure 2). Stakeholder theory suggests that the  
8 sections of the reports that indicate which stakeholder groups might be relevant to particular  
9 management decisions are effectively an implicit disclosure of which expectations the  
10 organisation is paying more attention to. On occasions where reports of organisations do  
11 identify derivative legitimate stakeholders, it is notable that those stakeholders are engaged  
12 substantively compared to primary stakeholders. Sustainability reports claim that primary  
13 stakeholders (such as local communities, suppliers, customers, public authorities or  
14 employees) are consulted, while derivative legitimate stakeholders (such as industry peers or  
15 media) are informed or consulted and some NGOs and academia are engaged at a decisional  
16 level; more research is needed to understand how, or why these differentiations are made. All  
17 organisations identify NGOs as a stakeholder group either formally (10) or informally through  
18 the report (8) and nearly all (except Disney) claim to use partnerships with them as a method  
19 of engagement. The 18 organisations disclose substantial engagement with this particular  
20 stakeholder group, without however providing the results of these partnerships.

21 The data suggests that, for stakeholder accountability, an approach involving broad  
22 identification of stakeholders is not, per se, preferable to a narrow identification approach; SE  
23 does not ensure the organisation acts in the interests of legitimate stakeholders, as already  
24 suggested (Greenwood, 2007). It is the lack of full disclosure about how engagement takes  
25 place (procedural quality) that leads to doubts about how useful or informative the dialogue

1 can be, and suggests that some of the claims made may be greenwashing. Managerial capture  
2 of SE is rather likely, since managers are in a position of power and reports can still be used  
3 mainly as a legitimacy tool (Adams, 2004). For dialogue to be effective, there needs to be  
4 evidence of the impact that stakeholder participation has had on the behaviour of the  
5 organisation (outcome quality). Most sustainability reports analysed here do not include  
6 details of the feedback received from stakeholders, nor do they clarify to what extent any such  
7 feedback is influential on the organisation's decision-making process. Where they do so, it  
8 would implicitly reveal which stakeholders' demands are prioritised (responsiveness quality).  
9 Moratis and Brandt (2017) already had found low responsiveness. Without this, it is not  
10 possible to ascertain the extent to which the organisations are shaping their strategy around  
11 moral obligations towards their stakeholders or, alternatively, whether they are using the  
12 declared, superficial SE to justify business as usual.

13 This leads us to the contribution made to understand SE through the study of MA. At the heart  
14 of MA lies the challenge of balancing trade-offs among the multiple stakeholders' claims and  
15 sustainability returns (Callan & Thomas, 2009; T. Hahn, Figge, Pinkse, & Preuss, 2010; Hawkins,  
16 2006). Facilitating stakeholder contribution to decision making requires management to  
17 negotiate conflicting objectives (Bellantuono, Pontrandolfo, & Scozzi, 2016) and allow  
18 stakeholders the opportunity (or risk) of influencing their organisation's priorities (Zaman Mir  
19 & Shiraz Rahaman, 2011). It requires a certain stakeholder culture and confidence to allow  
20 such type of engagement (AccountAbility, 2015). The stakeholder information disclosed by the  
21 hotel groups in the sample is not sufficient to determine the purposes behind SE; nor does it  
22 allow for the identification of organisational stakeholder cultures underpinning their actions.  
23 Although some organisations have explicit SI/SE evidence, their reports omit which criteria  
24 were used to prioritise stakeholders.

25 The lack of experience in conducting MA, coupled with the heterogeneity of materiality

1 definitions, guidelines and applications increases the need to disclose what organisations  
2 understand as material, their processes of identifying issues and the criteria they use to  
3 evaluate them (Eccles & Krzus, 2014; Edgley, 2014; Governance and Accountability Institute,  
4 2014). Stakeholder theory reminds us that the outcome of MA is not an objective view of the  
5 important issues for society, but a representation of how the organisation chooses to listen to  
6 society. Jones et al. (2017b) doubt that organisations feasibly elicit and represent the views of  
7 all their stakeholders, also echoed in this research. The four organisations behind the reports  
8 that use materiality matrices fail to explain what is meant by ‘significance’ or ‘strategic’  
9 (consistent with findings from other sectors (Eccles et al., 2015)), but including these “big  
10 words” that allow them to posture (Laufer, 2003). Hence, it can be argued that the credibility  
11 of the reports is questionable under the current reporting system, where the organisation  
12 defines the scope and method for prioritising issues, without needing to disclose the process.  
13 None of the reports examined discloses any difficulties encountered, neither in SI/SE nor MA,  
14 which are notably complex processes (GRI, 2013). The abundance of positive information and a  
15 lack of voluntary negative disclosure (organisations do not report on failed attempts to  
16 introduce practices, or how stakeholders have identified issues as significant but the  
17 organisation has failed to address them so far) have been previously highlighted as an issue  
18 (e.g., R. Hahn & Lülfs, 2014; Holder-Webb, Cohen, Nath, & Wood, 2009). Further disclosure  
19 could potentially allow report readers to make their own assessment of whether the ‘dialogue’  
20 stakeholders are encouraged to participate in meaningfully informs the organisation’s  
21 decision-making, otherwise limited disclosure may translate into greenwashing (e.g. Walker &  
22 Wan, 2012) and subsequent loss of stakeholder trust and accountability (Calabrese, Costa, &  
23 Rosati, 2015).

24 Several organisational factors could explain the decision-making leading to differences in  
25 sustainability reports. Internal determinants, among others, are the corporate size (R. Hahn &

1 Kühnen, 2013), the reporting experience and the reporting guidelines adopted (Moratis &  
2 Brandt, 2017). Existing studies assume larger organisations cause greater impacts, become  
3 more visible, and therefore, face greater stakeholder scrutiny, while small organisations have  
4 higher marginal costs of disclosure (e.g. Gallo & Christensen, 2011). In this study, however, the  
5 corporate size could not explain results, as seen in the Accountability matrix (Figure 1). Then,  
6 experience in reporting also does not seem to affect stakeholder-related disclosure: some  
7 experienced reporters provide limited disclosure in the Accountability matrix (e.g. Marriot- 6<sup>th</sup>  
8 report, Walt Disney- 7<sup>th</sup>) while some beginners provide extensive disclosure on inclusiveness,  
9 materiality and responsiveness (Ceasars Entertainment- 2<sup>nd</sup>, Eastern Crown- 3<sup>rd</sup>). The reporting  
10 standard followed, notably GRI G4 “In accordance - core” option, is likely to influence higher  
11 transparency levels, as G4 requires MA. Nevertheless, the reporting maturity does not  
12 translate into using stricter reporting standards, unlike in other sectors (Moratis & Brandt,  
13 2017). Organisations use GRI G4 both with two-years (Ceasars and Starwood) and seven-years  
14 of reporting experience (Melià), while other experienced companies use earlier GRI versions  
15 (Carlson, Intercontinental), and companies report without using a framework are both  
16 experienced (Millennium, 13<sup>th</sup> report) and beginners (Riu, 1<sup>st</sup>).

17 \*\*\* insert figure 2

18 The SI approach (narrow or broad) does not constrain the organisations’ transparency on  
19 inclusiveness (see Figure 2), nor influence a specific materiality or responsiveness  
20 behaviour. For instance, companies identifying only normative stakeholders present low  
21 (Shangri-la, Riu), medium (Hilton) and high (Caesars) transparency on SI/SE and MA.  
22 Alternatively, groups which identify both normative and derivate legitimate stakeholders also  
23 show low (Disney), medium (Intercontinental) and high (Accor) transparency. This study  
24 cannot identify a clearly differentiated behaviour towards transparently communicating  
25 stakeholder concerns for either of the two approaches.

1 Instead, issues through the engagement process between the organisation and the  
2 stakeholders (Greenwood, 2007), may be better explained by the organisation's materiality  
3 and responsiveness efforts, which is a central explanatory variable of stakeholder theory. The  
4 engagement methods adopted by organisations shape both MA and its outcome.  
5 Organisations with substantial engagement present high or medium-high materiality and high  
6 responsiveness. However, even with the organisations presenting substantial SE with selected  
7 stakeholders, this study finds evidence of stakeholder management rather than more  
8 normative engagement. The reason for labelling it stakeholder management is because they  
9 mostly adhere to the instrumental approach of stakeholder theory, thereby, using  
10 sustainability reports to manage the stakeholders' perceptions of the organisation and to gain  
11 their support and legitimacy for long-term economic success. Organisations emphasise the list  
12 of stakeholders and make soft claims of SE objectives, while more complex issues such as the  
13 outcomes of engagement, the difficulties encountered or stakeholder feedback are less  
14 prominent, with some exceptions (e.g. Disney explains some feedback from stakeholders).  
15 Some organisations, most notably Wyndham, devote significant space to describing SE but  
16 even in these cases the reader can only get an impression of the extent to which such  
17 'dialogue' influences corporate policy and practice.

18 Sustainability reporting is uncommon in the hotel sector (Bonilla-Priego & Benítez-Hernández,  
19 2017), which faces the challenge of increasing transparency in the disclosure of their current  
20 sustainability practices (Font et al., 2012) and the credibility of their sustainability reports  
21 (Peter Jones, Hillier, & Comfort, 2016). This study contributes to the existing literature by  
22 pinpointing the need to disclose stakeholder engagement, materiality and responsiveness  
23 more comprehensively, and echoes the call for increased external assurance (Bonilla-Priego &  
24 Benítez-Hernández, 2017; Peter Jones et al., 2016). As the adverse impacts of hotel groups on  
25 the environment and society continue to attract more attention, organisations are expected to

1 take more responsibility for the sustainable use of resources, their impact on societies and  
2 their duty to demonstrate accountability to stakeholders.

### 3 **Conclusions**

4 Sustainability reporting is conceived as a vehicle for communicating the organisation's actions  
5 in response to stakeholder concerns and as a symbol of what the organisation stands for. This  
6 study has analysed the stakeholder-related information disclosed in sustainability reports as a  
7 means to identify the communicative stakeholder-related strategies that organisations might  
8 use to increase their accountability. In doing so, it sheds light on the sustainability reporting  
9 process, with specific attention to stakeholder-related practices. Within an organisational  
10 governance frame, our attention is directed to the disclosure of the mechanisms by which  
11 stakeholders are identified and engaged, and those by which material issues are surfaced and  
12 transformed into outcomes.

13 We have demonstrated the importance and proposed a method to measure the contribution  
14 made by sustainability reports to a company's accountability to stakeholders, based on the  
15 disclosure of the three interrelated steps (inclusiveness, materiality and responsiveness). We  
16 argue that it is not only the level of accountability that matters, but also the alignment of the  
17 organisation's accountability, as perceived by stakeholders, with their expectations. That is,  
18 the alignment between the degree of disclosure on inclusiveness, materiality and  
19 responsiveness is more important than presenting any of those three principles accomplished  
20 in full, while others are ignored, hence the importance of acknowledging the interrelation of  
21 the three steps. For example, having a broad stakeholder identification (high inclusiveness)  
22 and substantive engagement as a process to surface stakeholder concerns (high materiality)  
23 not accompanied by the disclosure of the final distribution of the output (no-responsiveness) is  
24 undesirable for maximising the role of sustainability reports as a mechanism for accountability.

1 Despite the nascent literature on sustainability reporting, and established literature on  
2 stakeholder theory, the SE and MA to define the report content still remain a 'black box'. A  
3 limitation of this study is that it does not inform about the actual SE process or the  
4 stakeholders' perceptions of reports, but only reveals what the organisations choose to  
5 disclose regarding their SE. An immediate research challenge is the need to interrogate  
6 sustainability reporting, to understand reasons, drivers and barriers in the organisational  
7 context. A medium-term challenge is to study how a normative or instrumental stakeholder  
8 approach shapes the reporting practices of organisations and, consequently, how such  
9 organisations chose to adopt different SI/SE, materiality and responsiveness decisions. We  
10 look forward to a continued discussion on how sustainability reporting decision-making can be  
11 used to increase stakeholder accountability and transparency.

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Table 1: Engagement levels and methods of engagement

Engagement levels	Methods	Nature of the relationships
<b>Informative</b>		
<ul style="list-style-type: none"> <li>Remain Passive</li> </ul> <i>No active communication</i> <ul style="list-style-type: none"> <li>Monitor</li> </ul> <i>One-way communication: stakeholders to organisation</i> <ul style="list-style-type: none"> <li>Advocate</li> </ul> <i>One-way communication: organisation to stakeholders.</i> <ul style="list-style-type: none"> <li>Inform</li> </ul> <i>One-way communication: organisation to stakeholders, there is no invitation to reply.</i>	Letters, media, websites, protests Media and internet tracking, second-hand reports Pressure on regulatory bodies and lobbying efforts Brochures	Short term
<b>Consultative</b>		
<ul style="list-style-type: none"> <li>Transact</li> </ul> <i>Limited two-way engagement: setting and monitoring performance according to terms of contract.</i> <ul style="list-style-type: none"> <li>Consult</li> </ul> <i>Limited two-way engagement: organisation asks questions and stakeholders answer.</i> <ul style="list-style-type: none"> <li>Negotiate</li> </ul> <i>Limited two-way engagement: discuss a specific issue or range of issues with the objective of reaching consensus.</i> <ul style="list-style-type: none"> <li>Involve</li> </ul> <i>Two-way or multi-way engagement: learning on all sides but stakeholders and organisation act independently.</i>	Public-private partnerships, private finance initiatives Public meetings, workshops Collective bargaining with workers through their trade unions Advisory panels, consensus building processes and focus groups	Medium
<b>Decisional</b>		
<ul style="list-style-type: none"> <li>Collaborate</li> </ul> <i>Two-way or multi-way engagement: joint learning, decision-making and actions.</i> <ul style="list-style-type: none"> <li>Empower</li> </ul> <i>New forms of accountability: decisions delegated to stakeholders, stakeholders play a role in shaping organisational agendas.</i>	Multi-stakeholder initiatives, on-line collaborative platforms, partnerships The integration of stakeholders into governance, strategy and operations of the organisation.	Long-term

Source: Authors, adapted from Green & Hunton - Clarke, 2003; Plaza-Úbeda, et al., 2010; Accountability, 2015. The dashed line indicates some SE methods classify into different levels of participation depending on the use given.

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Table 2: Hospitality groups with published sustainability reports from the top 50 hospitality companies.

Company	Headquarters	Last Report Type / Application level	Number of rooms 2014	Sustainability Report (Year of publication)	Sustainability Experience (report number)
		G4 – In accordance – core			
Hilton Worldwide	USA	Self-declared	715,062	2015	4th
Marriott International	USA	Non GRI	714,765	2015	6th
IHG					
(InterContinental Hotels Group)	England	G3.1 – Undeclared	710,295	2015	8th
Wyndham Hotel Group	USA	G4 – In accordance - core	660,826	2015	5th
Accor Hotels	France	G4 – In accordance - core	482,296	2015	Data not available
Starwood Hotels & Resorts	USA	G4 - Undeclared	354,225	2015	2 <sup>nd</sup> reporting



Resorts Worldwide					year
					7 <sup>th</sup> Carbon Disclosure Project
Carlson Rezidor Hotel Group	USA	G3 - Undeclared	172,234	2015	9th
				2015	
Hyatt Hotels Corp.	USA	G4	155,265	Scorecard	4th
				2014 Report	
Meliá Hotels International	Spain	Integrated Reporting (IIRC) and G4 – In accordance – core	98,829	2015	7th
Whitbread	England	Non GRI	59,138	2015	3 <sup>rd</sup>
NH Hotel Group	Spain	G4 – In accordance - core	57,127	2015	5th
MGM Resorts International	USA	Non GRI	46,906	2015	4th
Riu Hotels & Resorts	Spain	Non GRI	45,390	2015	1 <sup>st</sup>
Walt Disney Co.	USA	G3.1. Self-declared (B)	39,751	2015	7th
Caesars Entertainment Corp.	USA	G4 – In accordance - core	37,820	2015	2 <sup>nd</sup>
Shangri-La Hotels & Resorts	China	Non GRI - Communication of progress	36,898	2015	5 <sup>th</sup>
Eastern Crown Hotels Group China	China	G4 – In accordance - core	33,863	2015	3 <sup>rd</sup>
Millennium & Copthorne Hotels	England	Non GRI – Annual Report (Integrated Reporting Framework)	33,367	2015	13 <sup>th</sup> Annual report with CSR content

1 Source: Authors

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3 Table 3: Quantitative criteria and coding scheme



Criteria	Coding scheme
<b>A. Stakeholder Identification and Engagement</b>	
a.1. Section devoted to stakeholder identification	included (+1)  not included (0)
a.2. Basis for identification	specific criteria (e.g. stakeholders enhancing the business and CSR strategy, feedback from material issues) (+1),  generic criteria (e.g. all groups part of the business environment, based on interaction with stakeholders) (+0.5),
a.3. List of main stakeholders	no criteria displayed (0). clear list provided (+1),
a.4. Identification approach	appearance of stakeholders through the text (0) broad (explicitly identifies derivative legitimate stakeholders) (+1)  somewhat narrow (derivative legitimate stakeholder appear through the report) (+0.5)  narrow (only identifies normative stakeholders) (0)
a.5. Engagement characteristics	declared (+1),
a.5.1. SE aim and objectives	
a.5.2. SE process	not declared (0) explained for all stakeholders (+1)  explained for some stakeholders (+0.5)
a.5.3. Frequency of engagement	not explained (0) fully declared (+1),  partially declared for some stakeholders (+0.5)
a.5.4. Methods used	not declared (0) declared for each stakeholder group (+1),  declared general (+0.5),
a.6. Output SE	not declared (0) concerns raised by each stakeholder group declared (+1),  concerns raised by stakeholders in general declared (+0.5),  not declared (0)
<b>B. Materiality analysis</b>	
b.1. Potential issues	declared (+1),
b.2. Criteria for determining materiality	not declared (0) specific criteria (+1),  generic criteria (+0.5),
b.3. Meaning of materiality	not declared (0) explained (+1)
b.4. List of material issues	not explained (0) declared (+1),
b.5. Visual representation of material issues	not declared (0) yes (+1)  no (0)

b.6. Stakeholders for which the issues are material	identified (+1)
	not identified (0)
<b>C. Responsiveness</b>	
c.1. The organisation communicates the response (actions, commitments...) given for material issues	a response for each material issue (+1)
	a response for some of the material issues (+0.5)
c.2. The report follows a structure to guide the user to identify responses given to each material issue	no responses to material issues (+0)
	a heading/subheading for each material issue reported (+1)
	a heading/subheading for some material issues reported (+0.5)
	responses are spread throughout the report (+0)

1 Source: Authors.

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1 Table 4: Quantitative coding scores for stakeholder identification and engagement

Criteria	Eastern Crown	Wyndham	Accor	Hilton	Intercontinental	Starwood	Hyatt	Caesars	Melia	Carlson Rezidor	NH	MGM	Walt Disney	Millennium & Copthorne	Marriott	Whitbread	Shangri-La	Riu	Score per criteria (out of 18)	
<b>Stakeholder identification</b>																				
Section devoted to stakeholder identification	1	1	1	1	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	8
Basis for identification	0.5	0	0	1	0	1	0	0.5	0	0	0.5	0	0	0	0	0	0	0	0	3.5
List of main stakeholders	1	1	1	1	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	11
Identification approach	1	1	1	0.5	1	1	1	0.5	1	0.5	0.5	0.5	1	0.5	0	0	0	0	0	11
<b>Stakeholder engagement</b>																				
SE objectives	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	14
SE process	0.5	0	0.5	0.5	0	0.5	0.5	0.5	0.5	0	0.5	0.5	0.5	0	0.5	0.5	0	0	0	6
SE frequency	0	0.5	0.5	0.5	0.5	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	3
SE methods	1	1	0.5	1	1	0.5	1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	11.5
SE outputs	1	1	1	0	0.5	0.5	1	1	0.5	0.5	0.5	0	0	0	0	0	0	0	0	7.5
<b>Score per organisation</b>	<b>7</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>5.5</b>	<b>5.5</b>	<b>4.5</b>	<b>4</b>	<b>3.5</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0.5</b>	<b>0.5</b>		

Source: Authors. The score per organisation is out of 9 points.

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1 Table 5: Level of engagement and methods of engagement by stakeholder group

Levels	Methods	Stakeholders	Shareholders/ Investors	Owners/ Franchises	Customers	Suppliers	Media	Local community	Industry peers	Authorities	Regulators	Academics	Company Board	Employee	NGO	Total SE methods across organisations	%
25.7% Informative	<b>Remain Passive</b> (Market research, benchmarks)	0	0	0	3	0	0	0	0	0	0	0	0	0	0	3	0.5
	<b>Monitor</b> (Requests for proposals, Service and loyalty tracking, CRMs)	0	0	0	7	1	0	0	0	0	0	0	0	2	0	10	1.8
	<b>Advocate</b> (Social media, Company University)	2	1	0	12	0	0	3	0	0	0	0	0	14	0	32	5.9
	<b>Inform</b> (Training, Conferences, Reports, Websites)	7	11	9	4	6	0	12	5	1	0	0	2	38	0	95	17.4
62.8% Consultative	<b>Transact</b> (Audits, Code of conduct, Memberships,)	0	0	2	13	27	0	32	0	1	1	0	0	31	15	122	22.3
	<b>Consult</b> (Meetings with stakeholders, Surveys, Workshops)	21	18	5	13	11	1	8	8	8	4	1	0	53	6	157	28.8
	<b>Negotiate</b> (Collective bargaining)	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0.2
	<b>Involve</b> (Multi-stakeholder initiative, Public relations)	3	1	0	0	5	0	1	15	2	0	3	0	8	1	63	11.5
11.5% Decisional	<b>Collaborate</b> (Joint ventures, Partnerships)	7	1	1	4	8	1	4	3	3	0	9	0	0	19	60	11.0
	<b>Empower</b> (Councils Committees)	0	0	0	0	0	0	0	0	0	0	0	0	3	0	3	0.5
Total SE methods across organisations for each stakeholder group.		40	32	17	56	58	2	60	31	15	5	13	2	150	41	546	

2 Source: Authors

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1 Table 6: Quantitative coding scores for materiality analysis

Criteria	Wyndham	Caesars	Accor	Eastern Crown	Hilton	Intercontinental	Melia	Hyatt	NH	Carlson Rezidor	Starwood	MGM	Walt Disney	Millennium & Copthorne	Marriott	Whitbread	Shangri-La	Riu	Score per criteria (out of 18)	
b. Potential issues	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4
b. Criteria for determining materiality	1	1	0	1	1	1	1	0	0.5	0	0	0	0	0	0	0	0	0	0	6.5
b. Meaning of materiality	0	1	0	1	1	0	0	1	1	1	0	0	0	0	0	0	0	0	0	6
b. List of material issues	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	11
b. Visual representation for material issues	1	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	4
b. Stakeholders for which the issues are material	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
<b>Score per organisation</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2.5</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2 Source: Authors. Total score per organisation is out of 6 points.

3

1 Table 7: Materiality analysis steps disclosed

<b>Actions for determining materiality</b>	<b>Companies</b>
<ul style="list-style-type: none"> <li>• Review internal sources of information, e.g. organisational values, policies, strategies, operational management systems, goals, and targets</li> </ul>	NH, Melià
<ul style="list-style-type: none"> <li>• Identify key issues, priorities and opportunities</li> </ul>	Hyatt
<ul style="list-style-type: none"> <li>• Review social, environmental and economic issues associates with the business operations</li> </ul>	Hyatt
<ul style="list-style-type: none"> <li>• Measure the stakeholders' expectations impact on the company financially and reputation</li> </ul>	ACCOR
<ul style="list-style-type: none"> <li>• Benchmark company performance against industry peers</li> </ul>	ACCOR
<ul style="list-style-type: none"> <li>• Benchmark CSR policies and practices of peer organisations</li> </ul>	Eastern Crown
<ul style="list-style-type: none"> <li>• GRI Materiality Disclosure Services</li> </ul>	NH
<ul style="list-style-type: none"> <li>• Revising significant strategic laws, regulations and international and voluntary agreements</li> </ul>	NH
<ul style="list-style-type: none"> <li>• Estimate sustainability impacts, risks, or opportunities</li> </ul>	Melià
<ul style="list-style-type: none"> <li>• Industry Materiality Matrices used as a basis to integrate the company priorities</li> </ul>	NH, Wyndham Interncontinental,
<ul style="list-style-type: none"> <li>• Use of Materiality Matrices to assess importance of issues</li> </ul>	ACCOR

2 Source: Authors

3

1 Table 8: SE actions to undertake MA disclosed

<b>Generic stakeholder methods</b>	<b>Companies</b>
<ul style="list-style-type: none"> <li>Engage with stakeholders to define and determine what issues were most important to report and to help determine where each issue was relevant to the company</li> </ul>	Eastern Crown
<ul style="list-style-type: none"> <li>Identify stakeholder concerns and expectations and determine their degree of importance</li> </ul>	ACCOR
<b>Specific Methods</b>	
<ul style="list-style-type: none"> <li>Participate in industry multi-stakeholder initiatives</li> </ul>	Carlson Rezidor, NH, Starwood, and Wyndham
<ul style="list-style-type: none"> <li>On-going SE</li> </ul>	Accor, Caesars, Hilton and Intercontinental
<ul style="list-style-type: none"> <li>Surveys to internal and external stakeholders</li> </ul>	Melià
<ul style="list-style-type: none"> <li>Interviews with external interested parties</li> </ul>	Hyatt, Wyndham
<ul style="list-style-type: none"> <li>Internal workshops</li> </ul>	Hyatt
<ul style="list-style-type: none"> <li>Online tool enabling stakeholders to assess predefined issues</li> </ul>	Melià
<ul style="list-style-type: none"> <li>One to one conversations with stakeholders</li> </ul>	Wyndham

2 Source: Authors

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1 Table 9: Transparency per criterion and organisation to build the Accountability Matrix.

Criteria	Wyndham	Caesars	Eastern Crown	Accor	Hilton	Intercontinental	Melia	Hyatt	NH	Carlson Rezidor	Starwood	MGM	Walt Disney	Millennium & Copthorne	Marriott	Whitbread	Shangri-La	Riu
<b>Responsiveness (Size of the dot)</b>	1.5	2	1.5	1	2	1.5	1	2	2	1.5	0.5	0	0	0	0	0	0	0
The company communicates the response given for material issue	1	1	1	0.5	1	1	1	1	1	1	0.5	0	0	0	0	0	0	0
The report follows a structure to guide the user to identify responses given to each material issue	0.5	1	0.5	0.5	1	0.5	0	1	1	0.5	0	0	0	0	0	0	0	0
<b>Table 6- Stakeholder identification and Engagement (Axis Y)</b>	6.5	5.5	7	6.5	6.5	6	5.5	6	4	4.5	6	3.5	3	2	1	1	0.5	0.5
<b>Table 8- Materiality Analysis (Axis X)</b>	5	5	4	4	3	3	4	2	2.5	2	1	0	0	0	0	0	0	0
Percentage of disclosure of all criteria	76	74	74	68	68	62	62	59	50	47	44	21	18	12	6	6	3	3

2 Source: Authors. Total Responsiveness score is out of 2 points, the total SE score is out of 9 points and the total MA

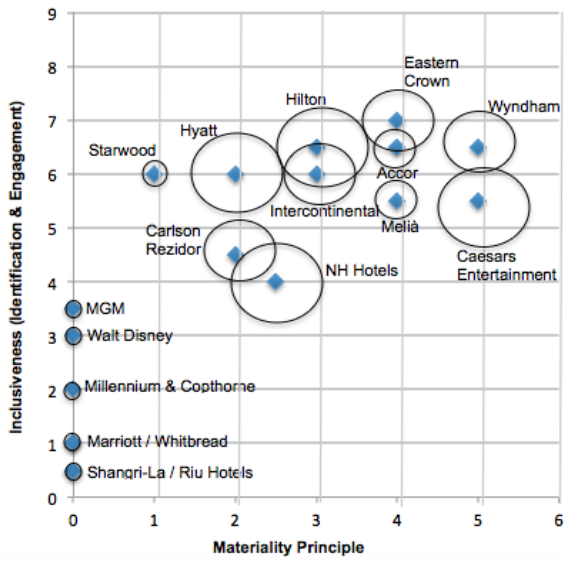
3 score is out of 6 points.

4

5



1 Figure 1: Accountability Matrix based on the disclosure on Inclusiveness, Materiality and Responsiveness



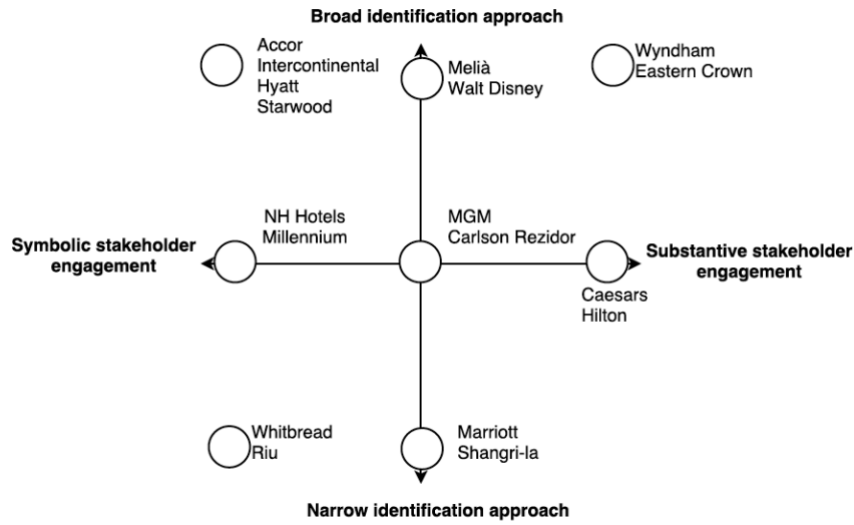
2

3 Source: Authors. The maximum score for Inclusiveness is 9 points, while 6 for the materiality principle and 2 for

4 responsiveness (size of the dot).

5

1 Figure 2: Matrix on the disclosure of narrow or broad stakeholder identification and symbolic or substantive stakeholder  
 2 engagement



3  
 4 Source: Authors  
 5 Narrow identification stands for normative stakeholders, Broad stands for derivative legitimate stakeholders, Symbolic  
 6 engagement stands for informative and consultative engagement, and Substantive engagement stands for decisional  
 7 engagement levels.

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